

EX PARTE OR LATE FILED



Jay C. Keithley
Vice President

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

December 9, 1998

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EX PARTE

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W. Room 222
Washington, D.C. 20554

RE: CC Docket Nos. 96-262, 94-1 and RM 9210

Dear Ms. Salas:

Today, representatives of Sprint Corporation met separately with Commissioners Harold Furchtgott-Roth, Susan Ness, Gloria Tristani and their respective staffs to discuss Sprint's position in the above referenced proceedings. Attending from the Commissioners' individual staffs were Kevin Martin, Jim Casserly, Linda Kinney and Karen Gulick. Representing Sprint Corporation were Mike Fuller, Rich Devlin, Alan Sykes and the undersigned.

Sprint requests that this information be made a part of the record in this matter. Five copies of this letter, in accordance with Section 1.1206(a)(1), are provided for this purpose. If you have any questions, please feel free to call.

Sincerely,

A handwritten signature in cursive script that reads "Jay C. Keithley".

Jay C. Keithley

Attachment

cc: Commissioner Furtchgott-Roth
Commissioner Ness
Commissioner Tristani
Kevin Martin
Jim Casserly
Linda Kinney
Karen Gulick

Sprint's Access Reform Proposal

Objective: Reduce interstate access charges to Forward Looking Economic Costs (FLEC)

Method:

- ◆ Maintain 6.5% productivity factor.
- ◆ Apply full annual reduction only to rate elements above FLEC.
- ◆ Cap CCLC revenues at growth in access lines.
- ◆ Focus current price cap performance review proceeding on identifying FLEC levels and determining appropriate transition.



Benefits of Sprint's Access Reform Proposal

◆ IXC's

- ❖ Access rates will come down faster than under the existing 6.5% productivity plan.
- ❖ TS access rates will be reduced to FLEC faster than under proposals to increase the productivity factor.

◆ LEC's

- ❖ Provides reasonable transition to FLEC.
- ❖ Ensures that access rates are not driven below FLEC.

◆ Consumers

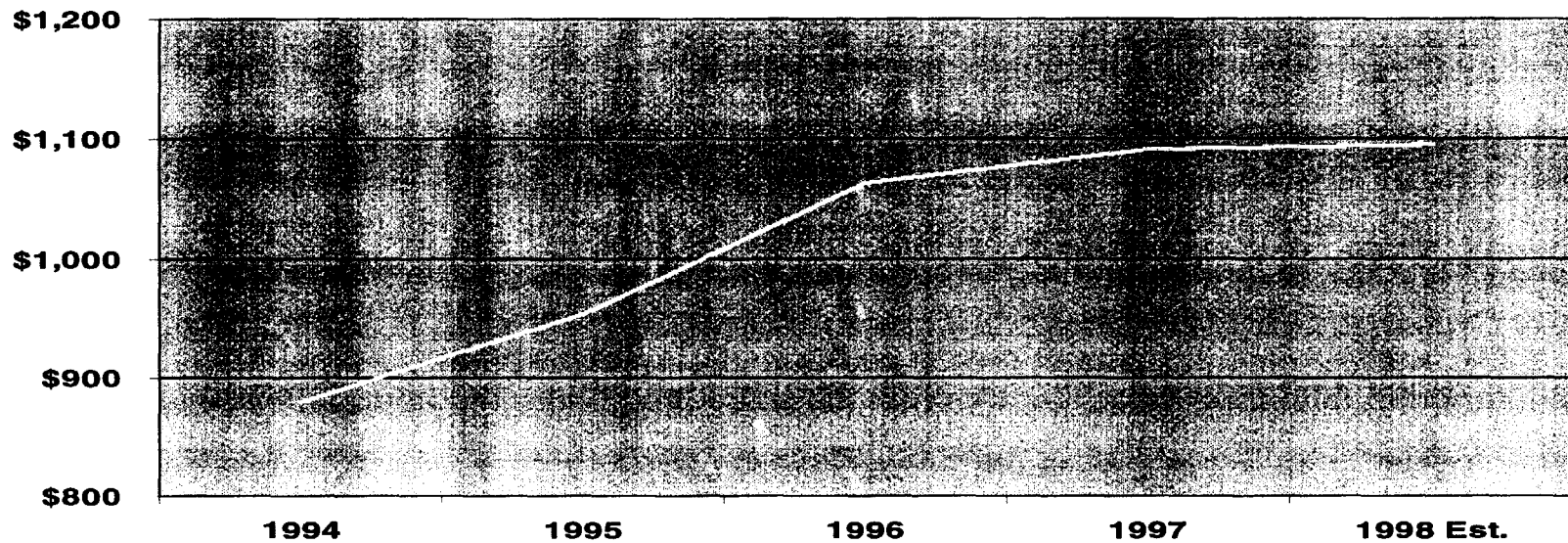
- ❖ Accelerated decreases in TS access rates will allow greater interstate toll rate reductions.



Sprint

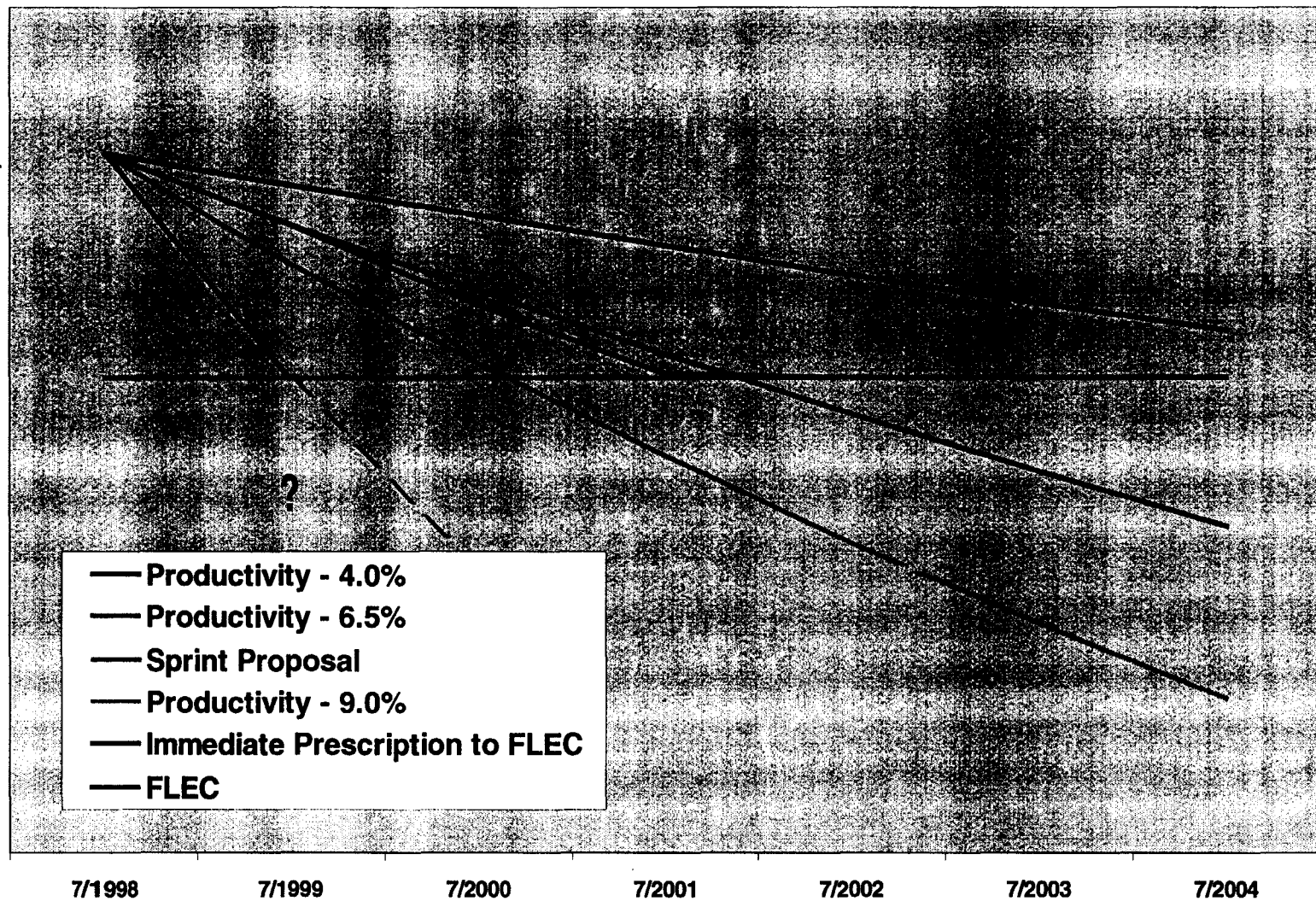
Interstate Access REVENUES

(\$ in Millions)



	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998 Est.</u>
Revenues	879.6	953.3 8.39%	1,062.9 11.50%	1,091.0 2.65%	1,095.4 0.40%
MOUs	16,303	17,644 8.22%	19,631 11.26%	20,914 6.54%	22,641 8.25%
Access Lines	71,332	75,338 5.62%	78,930 4.77%	84,006 6.43%	88,837 5.75%

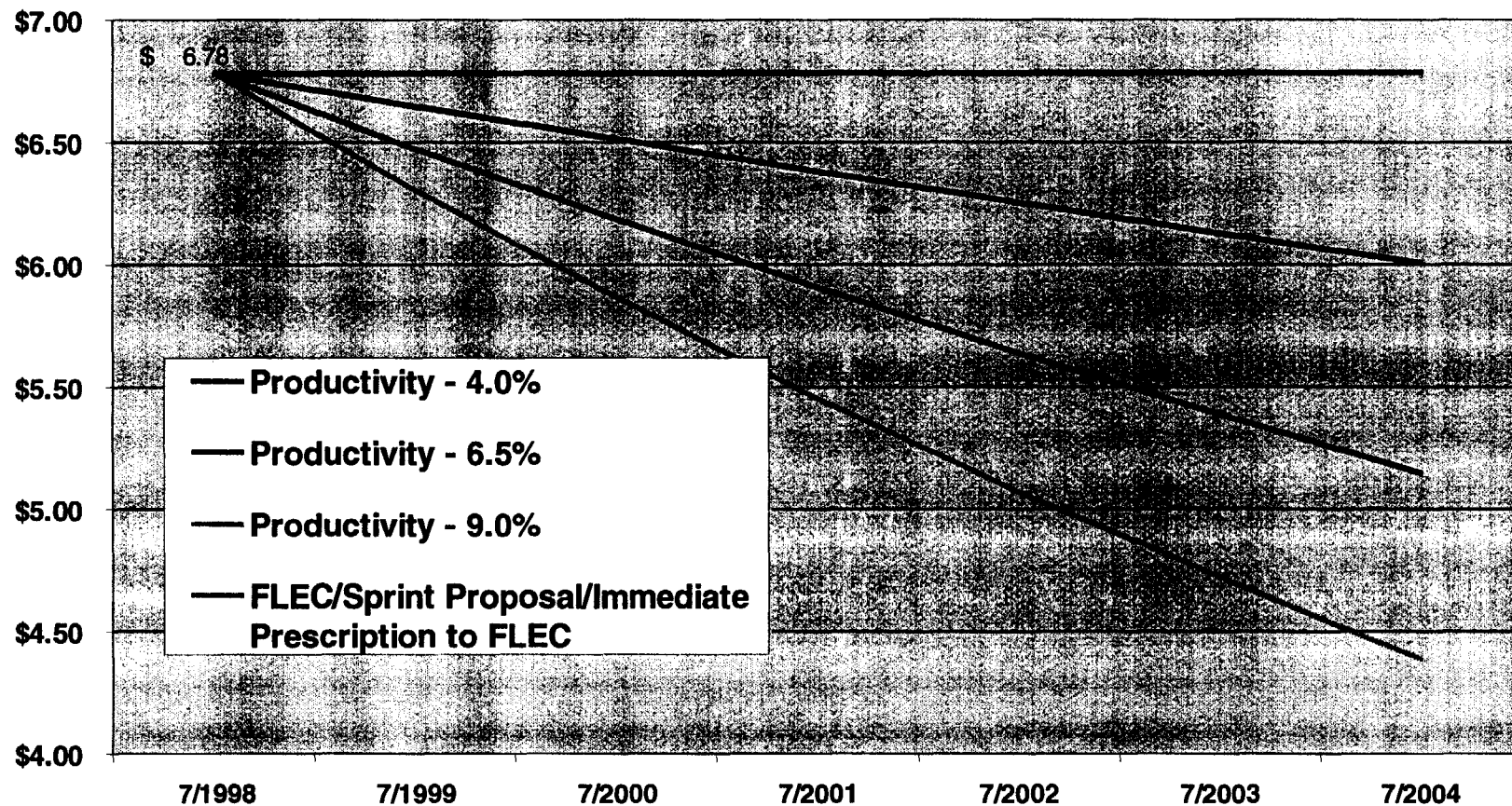
Price Cap LECs Interstate Access Rates



Price Caps LECs

Average Revenue per Line

For Non-Traffic Sensitive (NTS) Elements*

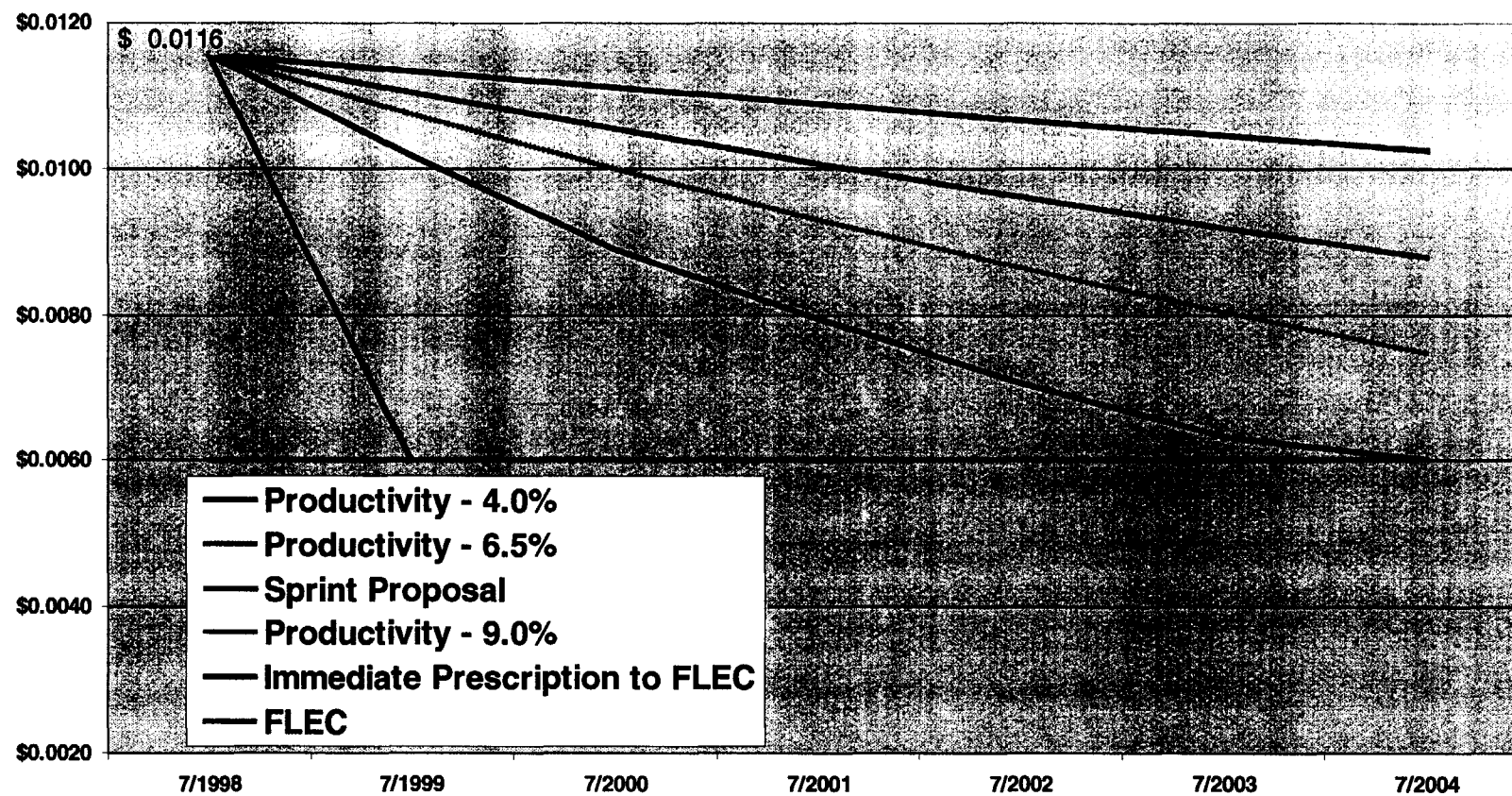


* Loop, NTS Switching, and Marketing Expense

Price Cap LECs

Revenue per Minute

For Traffic Sensitive Elements*



* Local Switching and Switched Transport